

KENTUCKY RESIDENTS ENCOURAGED TO “GET SMART” ABOUT INSURANCE

National association, Kentucky Office of Insurance join forces

FRANKFORT, Ky. (Jan. 24, 2005) - Each month, without fail, the bills arrive – homemortgage, car payment, student loans. Usually, the largest bills cover the items that we gave the most thought to before purchasing and that mean the most to us. However, insurance is often one of the most costly bills we pay each month but usually the one we think least about.

It is not smart to stay in the dark about insurance – it actually can be dangerous.

The National Association of Insurance Commissioners (NAIC) and the Kentucky Office of Insurance (KOI) are encouraging consumers to get smart about their coverage during the fourth annual Get Smart About Insurance Week, Jan. 24–28, 2005.

“When it comes to insurance, knowledge is the best policy,” said Martin Koettters, KOI executive director. “It just doesn’t make sense to ignore it, especially when it constitutes such a large portion of most household budgets. Too often people buy an insurance policy and then forget about it or they don’t make any changes to it over the years until it’s too late. Information is the key to avoiding insurance problems and scams.”

During NAIC’s Get Smart About Insurance Week, consumers are encouraged to take several steps to become more educated about their insurance coverage.

“We strongly encourage consumers to shop around before they commit to a policy,” Koettters said. “Plenty of information is available for Kentuckians to make smart choices about their insurance. We also can’t stress enough the need to confirm the legitimacy of a policy before moving forward. In today’s age of fake insurance policies, this has become a crucial step in getting educated about insurance.”

Other tips from KOI include:

- Schedule a routine “check-up” with your insurance providers at least once a year. Inquire about the cost benefit of opting for higher deductibles.
- Ask specifically about discounts for good driving records, good health, good grades, special education or training.
- Shop around for identical products and services. Not every company charges the same rate.
- Remember an insurance policy is a legal document. Read it carefully. Once you receive a new policy, review it for accuracy and report any errors you may find.
- Stop, call and confirm. Before buying an insurance product, call KOI to verify that the company is licensed to do business in the state. Remember that some bogus insurers use names that are similar to legitimate companies.
- Never cancel an existing policy until you are sure the new company has accepted your application and has issued a policy.
- Protect your credit rating. Remember that some companies use credit scoring in determining your auto and homeowner premiums. Be very cautious about giving anyone personal information, including bank account or credit card numbers.
- If you have questions, talk to your agent. In addition, you can call KOI at 1-800-595-6053 or visit <http://insurance.ky.gov/kentucky/> for free tips, up-to-date information on a variety of insurance products or to file a complaint. The Get Smart interactive quiz is available on the KOI Web page to test your knowledge about general insurance topics.